A **DORPAN, SL & ANOR v. NUSAJAYA SUNRISE SDN BHD**

HIGH COURT MALAYA, JOHOR BAHRU
SEE MEE CHUN J
[SUIT NO: JA-22IP-05-09-2017]
17 FEBRUARY 2019

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TORT: *Passing off – Trade mark – Claim by proprietor of trade mark against property developer – Whether trade mark confusingly or deceptively similar – Whether parties provided same goods or services – Whether there was passing off of proprietor's services by property developer – Trade Marks Act 1976, s. 70B*

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INTELLECTUAL PROPERTY: *Trade mark – Passing off – Proprietor of trade mark ran business of providing, operating and/or managing hotel services – Proprietor adopted trend of hotels venturing into 'condotels' – Property developer of residences used trade mark confusingly similar to proprietor's trade mark – Whether there was passing off of services provided by proprietor – Whether proprietor's mark only used in association with hotel services – Whether goodwill and reputation gained by proprietor attributable to residences – Trade Marks Act 1976, s. 70B*

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INTELLECTUAL PROPERTY: *Trade mark – Misrepresentation – Property developer of residences used trade mark similar to proprietor's trade mark – Whether there was passing off of services provided by proprietor – Whether word in trade mark invented word or merely English word – Whether distinctive to goods provided – Whether deceived or caused confusion to members of trade and public – Whether there was misappropriation of proprietor's goodwill and reputation – Whether there was misrepresentation – Whether there were damages – Trade Marks Act 1976, s. 70B – Trade Marks Regulations 1997, reg. 13B*

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The first plaintiff was the proprietor of the mark 'MELIA', either on its own, or together with other words or devises ('the MELIA trade mark'). The second plaintiff was granted the licence to use the MELIA trade mark in the Asia Pacific region including, but not limited to, Malaysia and/or manage the hotels in the region. The defendant, which was in the business of property development, land trading and investment holding, together with UEM Sunrise Bhd ('UEM'), launched a residential property project known as 'Melia Residences'. According to the plaintiffs, the defendant had passed off its services as the plaintiffs' services by using a trade mark which was confusingly and deceptively similar to the MELIA trade mark. This prompted the plaintiffs to claim against the defendant for passing off and/or relief under s. 70B of the Trade Marks Act 1976 ('the Act') on the ground that such use and/or any other trade marks, marks, *indicia*, displays and/or symbols, which were identical with, or nearly resembled, the MELIA trade marks. Supporting its claim, the plaintiffs submitted that they used the MELIA trade mark in relation to their business of, *inter alia*, providing, operating and/or managing the hotel services. Following that, the plaintiffs

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averred that they have acquired substantial reputation and goodwill in their business and/or any other services associated with the MELIA trade mark. In defence, the defendant argued that there was no passing off as (i) the plaintiffs' MELIA mark was only used in association with the plaintiffs' hotel services and, therefore, any goodwill and reputation gained through such use was wholly attributable only to such hotel services and not any other services; (ii) both marks were visually and conceptually different; (iii) 'Melia' is an English word and not an invented word; (iv) the use of 'Melia Residences' mark was in conjunction with the names of the defendant and UEM together with UEM's trade mark, UEM Land Bhd's registered trade mark 'Gerbang Nusajaya'. Therefore, it could not deceive or cause confusion to the relevant members of the trade and the public and could not conceivably be a misappropriation of the plaintiffs' goodwill and reputation nor be an act of misrepresentation; and (v) there was no likelihood of damage as there was no misrepresentation on the part of the defendant.

Held (allowing claim with costs):

(1) The MELIA trade mark was adopted in 1987 and was extensively used where the plaintiffs' group of companies operated more than 350 hotels in 43 countries and four continents. The plaintiffs further owned, operated and/or managed 38 hotels in the Asia Pacific region which, either operated assets or were scheduled to be opened in the future. These included hotels as temporary residence and 'condotels' which were hotels on a more permanent basis. There was a trend of hotels venturing into condotels and the plaintiffs had since diversified into condotels. In relation to these condotel projects, although the plaintiffs were not, or not related to, the developer and did not own the land, this was not material as the arrangement took the form of a licence where the brand name was used in return for a licence fee. The use of the MELIA trade mark remained under the plaintiffs' control and, as the goodwill generated from any licensing arrangement accrued to the plaintiffs as the licensor, it followed that the defendant's contention, that the plaintiffs' goodwill was only limited to its hotel business, was without merit. The plaintiffs had the goodwill in their business, any other services associated and/or affiliated and/or related field with reference to the MELIA trade mark. (paras 11, 33, 42, 46, 55 & 136)

(2) On the comparison of the marks, it could not be denied that the word 'Melia' appeared in both. The most prominent aspect of the plaintiffs' mark was the word 'Melia' itself. On the marks being visually different, such as the 'Melia' in 'Melia Residences' being represented in a stylised manner, in lowercase and the tilde above the letter 'A' in the 'MELIA' trade mark being absent in 'Melia Residences', the comparison test was

A not to consider minute differences but to consider the surrounding circumstances. Little assistance was also obtained through a pronunciation comparison. Ultimately, what mattered was the most prominent aspect of the mark, which was the word 'Melia' itself. Viewed in this light and the associated activity, there would be
B confusion to the members of the trade and the public. (paras 112, 113, 116 & 117)

(3) To satisfy the requirement of misrepresentation, the mark in question has to become distinctive of the goods. The MELIA trade mark, ever since its adoption in 1987, had been used in hotels worldwide, including
C in Malaysia through MELIA KL. The MELIA trade mark was therefore distinctive of the plaintiffs' services. The defendant, through the testimony of the team responsible for selecting 'Melia Residences' as the name of the project, sought to portray it as a dictionary word and therefore free to be used by everyone; in other words, it was no longer
D distinctive. This evidence could not stand as, in attempting to register 'Melia Residences' as a trade mark, the defendant was seeking exclusivity. Therefore, this ran counter to its own initial evidence that the word 'Melia' should not be exclusively held by one party. The possibility of confusion arose from the identical word 'Melia' on the
E plaintiffs' MELIA trade mark and that of Melia Residences. Both parties were also in related fields of activities where the plaintiffs had ventured into condotels. (paras 106, 107 & 111)

(4) The defendant had registered its trade mark for UEM and Gerbang Nusajaya and Melia Residences where such marks could separately
F function as trade marks. The defendant's team had heard of MELIA KL. Although 'MELIA KL' was not even at the top of the minds of the defendants' team during the brainstorming and selection process, it sufficed that the misrepresentation could be intentional or otherwise. (paras 118 & 121)

G **(5)** There could be damages suffered by the plaintiffs as a result of the passing off. The account of profit was prayed for as the option of the plaintiffs and was allowed. Pursuant to s. 70B of the Act, read together with reg. 13B of the Trade Marks Regulations 1997 ('the Regulations'), the plaintiffs were entitled to the injunctive relief sought. The MELIA
H trade mark satisfied the criteria in reg. 13B of the Regulations due to the extensive awards won, being listed as the top 10 most powerful hotel brand 2017, trade mark registrations worldwide, and in Malaysia, and the presence in more than 350 hotels in 43 countries across four continents. (paras 127 & 130-132)

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Case(s) referred to:

Annabel's (Berkerly Square) Ltd v. G Shock (trading as Annabel's Escort Agency) [1972] RPC 838 ***(refd)***

Aristoc v. Rysta [1943] 60 RPC 87 ***(refd)***

Aspect Synergy Sdn Bhd v. Banyan Tree Holdings Ltd [2009] 8 CLJ 97 HC ***(refd)***

Colbeam Palmer Ltd v. Stock Affiliates Pty Ltd [1972] RPC 303 ***(refd)***

Irvine v. Talksport Ltd [2002] FSR 943 ***(refd)***

Lam Soon (M) Bhd v. Forward Supreme Sdn Bhd & Ors [2001] 4 CLJ 673 HC ***(refd)***

Lego System Aktieselskab and Anor v. Lego M. Lemelstritch Ltd [1983] FSR 155 ***(refd)***

Leo Pharmaceutical Products Ltd v. Kotra Pharma (M) Sdn Bhd (No 2) [2012] 10 CLJ 507 HC ***(refd)***

Liwayway Marketing Corp v. Oishi Group Public Co Ltd [2017] 5 CLJ 133 FC ***(refd)***

Novelty Pte Ltd v. Amanresorts Ltd and Anor [2009] SGCA 13 ***(refd)***

Pakai Industries Bhd v. Chen Yew Industries Sdn Bhd [1991] 2 CLJ 1574; [1991] 3 CLJ (Rep) 383 HC ***(refd)***

Reckitt & Colman Products Ltd v. Borden Inc and Others [1990] 1 All ER 873 ***(refd)***

The Commissioners of Inland Revenue v. Muller & Co's Magarine, Limited [1901] AC 217 ***(refd)***

The Pianotist Co's Application [1906] 23 RPC 774 ***(refd)***

Yong Sze Fun v. Syarikat Zamani Hj Tamin Sdn Bhd & Anor [2011] 1 LNS 1307 CA ***(refd)***

Legislation referred to:

Trade Marks Act 1976, s. 70B

Trade Marks Regulations 1997, reg. 13B(1)(e)

For the plaintiff - Indran Shanmuganathan, Michelle Loi Choi Yoke & Yap Khai Jian; M/s Shearn Delamore & Co

For the defendant - Lee Lin Li & & Shawn Voon; M/s Tay & Partners

Reported by Najib Tamby

JUDGMENT

See Mee Chun J:

Introduction

[1] The first plaintiff is the proprietor of various trade marks including the mark "MELIA" either on its own or together with other words or devises (collectively referred to as the MELIA trade mark). The second plaintiff has been granted the licence to use the MELIA trade mark in the Asia Pacific region including but not limited to Malaysia and/or manage the hotels in the region. The defendant is in the business of property development, land trading and investment holding.

The Claim

[2] This is the plaintiffs' claim against the defendant for passing off and/or relief under s. 70B of the Trade Marks Act 1976 (TMA). The claim pertains to the right to use the MELIA trade mark which is specifically

represented in Schedule A of the statement of claim (A/25). This is now reproduced in Annexure A to the judgment. According to the plaintiffs, the defendant has passed off its services as the plaintiffs' services by using a trade mark as shown in Schedule B of the statement of claim (A/27) (Melia Residences mark) which the plaintiffs say is confusingly and/or deceptively similar to the MELIA trade mark. This is now reproduced in Annexure B to the judgment. Such use and/or any other trade marks, marks, *indicia*, displays and/or symbols which are identical with or nearly resembles the MELIA trade mark in respect of residential property development services also entitles the plaintiffs to the relief under s. 70B of TMA.

[3] The basis of the claim is premised on the plaintiffs having used the MELIA trade mark in relation to their business of, among others, providing and/or operating and/or managing the hotel services, restaurant (food and drink) services, hotel and temporary accommodation and reservation services (the plaintiffs' services) and/or any other services in associated and/or affiliated and/or related field around the world for a significant period of time including Malaysia either through themselves and/or their authorised licensees. Accordingly, the plaintiffs have acquired substantial reputation and goodwill in their business and/or any other services in associated and/or affiliated and/or related field with reference to the MELIA trade mark.

The Defence

[4] On or around April 2016, the defendant and UEM Sunrise Berhad (UEM Sunrise) launched a residential property project named "Melia Residences", a freehold landed strata residential development in Gerbang Nusajaya off Iskandar Puteri (project). It used the trade mark as referred to by the plaintiffs in A/27 only in relation to the project. The plaintiffs' mark was used in association with the business of operating and/or managing hotel services, hotel and temporary accommodation and reservation services (plaintiffs' hotel services).

[5] There was no passing off as alleged for the following reasons:

(i) at all material times, the plaintiffs' MELIA mark was only used in association with the plaintiffs' hotel services and therefore any goodwill and reputation gained through such use is wholly attributable only to such hotel services and not to any other services;

(ii) both marks are visually and conceptually different;

(iii) the word "Melia" is an English dictionary word and therefore not an invented word;

(iv) at all material times, the use of the Melia Residences mark was in conjunction with the names of the defendant and UEM Sunrise together with UEM Sunrise's trade mark, UEM Land Bhd's registered trade mark "Gerbang Nusajaya" and the mark depicted which is now reproduced in Annexure C and C1 to the judgment. Therefore, it could not deceive or cause confusion to the relevant members of the trade and public and could not conceivably be a misappropriation of the plaintiffs' goodwill and reputation nor be an act of misrepresentation;

(v) there is no likelihood of damage as there is no misrepresentation on the part of the defendant.

Witnesses

[6] The witnesses for the plaintiffs were Mr Macel Han Liong Tjia (PW1 and amended witness statement marked as WSP1), and Ms Ning Chooi Seong (PW2, Vice President Development of Asia Pacific for the plaintiff group of companies and amended witness statement marked as WSP2).

[7] The witnesses for the defendant were Mr Jonathan Julian Tze-Ken Teoh (DW1, Head of Branding Development of Sunrise Ms Pte Ltd, a wholly-owned subsidiary of UEM Sunrise and witness statement marked as WSD1), Mr Muhammad Luqman bin Salim, Marketing Manager of UEM Sunrise and witness statement marked as WSD2 and witness statements marked as WSD2 and WSD2A), Mr Mohd Azizi bin Abd Latif (DW3, purchaser of Melia Residences and witness statement marked as WSD3) and Mr Zamri bin Yusof (DW4, Project Director of UEM Sunrise and witness statement marked as WSD4).

The Law On Passing Off

[8] As stated in *Reckitt & Colman Products Ltd v. Borden Inc and Others* [1990] 1 All ER 873 at p. 880 there are three elements a plaintiff has to prove in order to succeed in an action for passing off:

> First, he must establish a goodwill or reputation attached to the goods or services which he supplies in the mind of the purchasing public by association with the identifying 'get-up' … such that the get-up is recognised by the public as distinctive specifically of the plaintiff's goods or services. Second, he must demonstrate a misrepresentation by the defendant to the public (whether or not intentional) leading to or likely to lead the public to believe the goods or services offered by him are the goods or services of the plaintiff. … Third, he must demonstrate that he suffers or, in a *quia timet* action, that he is likely to suffer damage by reason of the erroneous belief engendered by the defendant's misrepresentation that the source of the defendant's goods or services is the same as the source of those offered by the plaintiff.

Thus the elements required in a passing off are goodwill or reputation, misrepresentation and damage.

(a) Goodwill

[9] On the first element of goodwill, *The Commissioners of Inland Revenue v. Muller & Co's Magarine, Limited* [1901] AC 217 at pp. 223-224 had this to say:

> ... What is goodwill? It is a thing very easy to describe, very difficult to define. It is the benefit and advantage of the good name, reputation, and connection of a business. It is the attractive force which brings in custom. It is the one thing which distinguishes an old established business from a new business at the first start. The goodwill of a business must emanate from a particular centre or source. ....

Further at p. 235:

> Goodwill regarded as property has no meaning except in connection with some trade, business, or calling. In that connection I understand the word to include whatever adds value to a business by reason of situation, name and reputation, connection, introduction to old customers, and agreed absence from competition, or any of these things and there may be others which do not occur to me. In this wide sense, goodwill is inseparable from the business to which it adds value, and in my opinion, exists where the business is carried on. ... .

[10] Our Court of Appeal in *Yong Sze Fun v. Sykt Zamani Hj Tamin Sdn Bhd and Anor* [2011] 1 LNS 1307; [2012] 1 MLJ 585 at p. 639 had also referred to *The Commissioners of Inland Revenue* and the passage "What is goodwill" and went on to observe as follows:

> Four discerning features of goodwill may be listed-
>
> (a) that goodwill is the benefit added to the business through extensive trading operations which attracts custom;
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> (b) that trade mark or get up is the badge and *indicia* that signifies, indicates and identifies the goodwill and the business;
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> (c) that goodwill is created through and by means of trading activities; and
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> (d) that the more extensive the trading activities are, which must necessarily include sale and promotion, the more value that would be attached to the goodwill.

(i) The Evidence

Evidence Of PW2

[11] In her amended witness statement, PW2 gave evidence the MELIA trade mark was adopted in 1987 and has been extensively used where the plaintiff group of companies operate more than 350 hotels in 43 countries in four continents (B6/1717 and 1722). These hotels are Grand Melia Hotels & Resorts (12), ME by Melia (8), Paradiscus by Melia (10), Melia Hotels & Resorts (111), Inside by Melia (20) and Sol by Melia (68) (B6/1730,1732, 1734, 1736, 1738 and 1740). The Asia Pacific region is important as this was where the plaintiffs first international hotel was launched namely Melia Bali in the 1980s. The plaintiffs' further own and/or operate and/or manage 38 hotels in the region which are either operate assets or scheduled to be opened in the future. These include hotels as temporary residence and condotels which are residence on a more permanent basis. The MELIA trade mark with its variations such as Melia Hotels, Sol Melia, Melia Boutique etc are registered in many countries in the name of the first plaintiff and in Malaysia too (B4/1156-1314). [Q&A 8-10]

[12] In Q&A 11(2) was set out the many awards received by the plaintiff group of companies (B6/1717, 1730, 1732, 1734, 1736, 1737 and 1740). In 2017, the Melia brand was ranked by Brand Finance as one of the top 10 most valuable and powerful hotel brands based on factors such as marketing investment, familiarity, loyalty, staff satisfaction and corporate satisfaction. (B6/1684-1697).

[13] For Malaysia, the MELIA trade mark including its variations Melia HOTELS, Melia Hotels International and MELIA HOTELS & RESORTS were registered respectively on 6 April 1998, 3 November 2011 and 28 September 2015 in class 43 (B6/1635-1639). The plaintiff group of companies manage Melia Kuala Lumpur (Melia KL) and use of the MELIA trade mark started since at least 1990. Melia KL is based in the building owned by Pudu Sinar S/B. The second plaintiff was appointed by Pudu Sinar to exclusively manage or direct Melia KL in accordance with the MHI system, a standard set of operations that is used as a general basis to operate hotels to ensure quality control of the MELIA trade mark. Pudu Sinar is a licensee of the plaintiffs to use the MELIA trade mark under the control and supervision of the plaintiffs. There was a table to show the total revenue of Melia KL from 2012-2018, documents to show visitors from 1996-1997 (B6/346-362) and random invoices issued to customers for 2011-2017 (B2/383-733), and contracts entered with third parties which provide services for the operation of Melia KL (B3/734-953). The exposure/ visibility of Melia KL can be seen from the website www.melia.com (B3/ 965-970), as a recommended hotel (B3/972-975, 977-980 and 982-985 search results (B3/987-989), campaign promotions (B3/991-994) and various community projects (B1/1-140). (Q&A 13 and 14).

[14] The concept of condotels was explained in Q&A 15 as being different from hotels and more akin to serviced apartments. Condotels allow someone to own a full service vacation home. The ownership is permanent and similar to homeowners who buy properties for investment and do not stay in the properties. For condotels, the owners can lease out their units and thus leverage on the marketing and management done by the hotel to rent and manage the unit. The plaintiffs' venture into condotels was not something new. In Q&A 16, PW2 named a few condotel projects of the plaintiffs namely Melia Bintan (B3/955), Melia Bandung, Melia Ubud and Melia Pekanbaru (Indonesia), Melia Ho Tram (Vietnam, B3/954), ME Dubai (B6/1681-1683), Malacca (B4/1353-1355) and Melia Iskandar Malaysia in Johor Bahru (B3/964).

[15] In Q&A 18, PW2 stated the trend amongst hoteliers venturing or diversifying into condotels is not uncommon and gave examples of St Regis in Malaysia as a combination of serviced apartment and a 6 star hotel (B4/1315-1321), Marriott Residences in Penang with its hotel, executive hotels and condominium (B4/1322) and Trump International Hotel & Tower Chicago which offers three bedroom residences (B4/1324-1325). It is also a trend for property developers to venture into hotel services. Examples given are Berjaya Corporation Bhd which had gone into hotel services such as Berjaya Times Square Hotel Kuala Lumpur and Keystone Land Developments Sdn Bhd which has developed and/or operated serviced apartments (the establishment) and a hotel (Alila in Bangsar) (B6/1702-1705).

[16] Due to the extensive use of the Melia trade mark in Malaysia and other countries worldwide where Melia hotels are accessible to Malaysians, substantial goodwill and reputation has been generated in relation to the plaintiffs' business.

[17] In cross-examination, she agreed the plaintiffs' exclusive rights over the word Melia in Malaysia is for hotel services, temporary accommodation and hospitality services but disagreed they do not have exclusive rights over the word Melia for property development (NOP/11-12). With regard to the worldwide registrations she agreed that two thirds are in class 42 for hotel services, temporary accommodation and hospitality services and class 43 for restaurant services and the rest for class 16 for stationary, class 35 for loyalty schemes and class 36 for insurance. She agreed that trade mark registrations are essential for the operation of the plaintiffs' business and there was none in class 37 for property development services since its earliest registration in 1971 (NOP/22). There was also none in Malaysia for the reason they work with real estate property to develop under the brand Melia such as condotel (NOP/23).

[18] She agreed the group CEO has publicly declared the plaintiffs' future will be closely linked to the hotel industry as in B3/958 and it is not stated they would be venturing into developing their own buildings, hotel buildings or property development (NOP/26).

[19] She agreed property development meant the process of buying, improving, selling buildings and land and arranging for new buildings to be built and that the plaintiffs did not own the land in relation to the condotels. She disagreed the plaintiffs were not in property development but the documents were not in the bundles (NOP/26-27).

[20] On the condotel projects' she confirmed the developers of Melia Iskandar are not related to the plaintiffs and the plaintiffs' involvement was to manage the hotel under a management agreement with the developer. To a question if it was temporary accommodation, she replied "for the purchaser is permanent" as the units are open for sale and can be purchased under the brand Melia (NOP 32-33). Similar answers were given in relation to Melia Ho Tram, ME Dubai, Melia Bintan Group, Melia Ubud, Inside Bandung, Melia Pekan Baru and Melia Melaka (NOP 33-42) where the developer is not related to the plaintiffs and the plaintiffs' involvement was to manage the hotel under a management agreement with the developer except that whether it was temporary accommodation the answer was "to the guests, yes".

[21] In relation to property developers going into hotels she agreed Keystone Development as the developer was not related to the hotel operator and the engagement of Alila Hotels and Resorts to manage Alila Bangsar was announced to the public (NOP/49). She was referred to B10/2580 on a press release by UEM Group Bhd announcing the signing of a management agreement for Hyatt House and agreed the developer is UEM Sunrise and there is no relationship between the developer and operator and the engagement was announced to the public (NOP/50).

[22] On the St Regis Residence, to a question the developer was not related to the hotel operator she replied "except through the license agreement" (NOP51). The same too for Marriott Residences and Ritz Carlton Residences where there was no relationship. She disagreed that hoteliers are not diversifying into property development and *vice versa* (NOP/55).

[23] Her answer in relation to Q&A 20(2) of the plaintiffs' business was in relation to the hotel business and in (1) that the plaintiffs' mark is well known is the hotel business replied "yes, as well including the Melia trade mark" (NOP/56).

[24] She disagreed the plaintiffs' hotel business in Asia Pacific was insignificant when compared to the other parts of the world as it did not include those under construction (NOP/56). She confirmed B6/1736 showed the operating profit contribution from Asia was 1% (NOP/57). She disagreed that Malaysia was not a focus of the plaintiffs' business but agreed Melia KL was not mentioned in the timeline of the opening of Melia hotels in Asia and it was not in the top 10 of guest nationalities for Gran Melia, ME Melia, Paradiscus, Melia Hotel & Resorts, Inside and Sol Melia (NOP/57-58). She also agreed the pictures of Melia Jinan, Shanghai, Kuta and Yangon were much clearer than that of Melia KL but disagreed it was to hide that it was an aging hotel, but that it was a photocopy of the original (NOP/64).

[25] On the Melia brand being ranked in the top 10 most valuable and powerful hotel brand, she agreed Melia did not appear in the top 10 most valuable (NOP/65).

[26] Her reference that there is value associated with the Melia trade mark was to the plaintiffs' hotel business (NOP/66). She agreed the plaintiffs relied on hotel booking and travel sites to promote the hotel and Melia KL was not listed in the top 25 hotels in Malaysia according to the Advisor's Traveller, not in the top 10 best hotel in hotel.com and not in the top 30 best hotel in the Telegraph (NOP/68-69).

[27] With regard to Pudu Sinar, she agreed Double Wealth Company Inc is the shareholder and to a question both are not related to the plaintiffs answered "the relationship is to the licensee of the ...". There is no document in the bundles of a licence agreement between the plaintiffs and Pudu Sinar (NOP/71). She referred to the guest folio in B2/363-381 as evidence of the second plaintiff's appointment to manage Melia KL and the statement "please make cheques payable on Pudu Sinar" in p. 381 and eventually agreed it was not stated as a licence agreement (NOP/71-72). She agreed that statement was because the business of operating the hotel belonged to Pudu Sinar. She agreed the table of revenue of Melia KL was the revenue of Pudu Sinar. There was no document in the bundles to prove that the second plaintiff received licence or management fees from Pudu Sinar. She disagreed the entire goodwill and reputation of the Melia mark in Malaysia belonged to Pudu Sinar, that the plaintiffs did not use its registered mark in Malaysia and that the plaintiffs have no *locus* to sue the defendant. She agreed there was an increase in the hotel's revenue in 2017 and this was after the renovation. (NOP/70-75)

[28] The awards won were in the hotel industry and none in property development, none for Melia KL or for any hotel or property managed by the plaintiffs in Malaysia. She disagreed the CSR activities were intended to promote Melia KL and did not promote property development activities. She stated CSR is one of the core values of Melia. (NOP/80-81)

[29] The third parties providing services to Melia KL were for the operation of the hotel and not property development and the website services were hotel services. In relation to the visibiltiy of the MELIA trade mark she disagreed it did not showcase any property capability and stated further this was under the name Melia and it was agreed by plaintiffs' counsel the documents referred to the hotel. (NOP/82-84)

[30] In re examination to her answer of condotels being temporary to guests she explained "condotels as far as the individual purchaser is concerned is on a permanent basis with investment in mind". With regard to condotel developments between the plaintiffs and developers where the Melia trade mark was used, the arrangement was a license agreement between the plaintiff and the third party in return for a licence fee. (NOP/87)

Evidence Of PW1

[31] PW1 had previously served in a number of joint venture companies of which the second plaintiff was a shareholder and was involved in the development of Grand Melia Jakarta, Melia Bali and the Melia at Scotts. He characterised the nature of the second plaintiff's business as mainly in hotel services, hotel management services and/or temporary accommodations which are principally provided under the MELIA brand around the world. The second plaintiff has ventured into a more diversified industry to provide accommodation on a more permanent basis and gave examples of the second plaintiff being the hotel manager of the Melia Bandung and Melia Ho Tram which have both hotel and residential components.

[32] In cross-examination he stated he had no documents to show the second plaintiff was the hotel manager of Melia Bandung and Melia Ho Tram. He disagreed the plaintiffs were at all material times in the hospitality industry and his reference was to Melia Bandung and Melia Ho Tram. He agreed Melia Ho Tram was owned by Tanzanite and did not know the plaintiffs are not related to Tanzanite. He also agreed Melia Bandung was not owned or developed by Melia. (NOP/3-6)

(ii) Analysis And Finding

[33] From the evidence of PW2 in particular, the MELIA trade mark ever since its adoption in 1987 has been extensively used where the plaintiff group of companies operate more than 350 hotels in 43 countries in four continents (B6/1717 and 1722). These hotels are Grand Melia Hotels & Resorts (12), ME by Melia (8), Paradiscus by Melia (10), Melia Hotels & Resorts (111), Inside by Melia (20) and Sol by Melia (68) (B6/1730, 1732, 1734, 1736, 1738 and 1740). In the Asia Pacific the plaintiffs further own and/or operate and/or manage 38 hotels in the region which are either operating assets or scheduled to be opened in the future. These include hotels as temporary residence and condotels which are residence on a more permanent basis. The

MELIA trade mark with its variations such as Melia Hotels, Sol Melia, Melia Boutique etc are registered in many countries in the name of the first plaintiff and in Malaysia too (B4/1156-1314).

[34] In Malaysia the MELIA trade mark has been present through the Melia KL since the 1990s whereby Pudu Sinar has appointed the second plaintiff to manage and operate the hotel in accordance with the plaintiffs MHI system. PW2 had produced documents in the form of vouchers and invoices to show hotel guests to the hotel (B2/346-362, 363-381, 382 and 383-733). There were advertising and promotional materials leading to the exposure/visibility of Melia KL as can be seen from the website www.melia.com (B3/965-970), as a recommended hotel (B3/972-975, 977-980 and 982-985 search results (B3/987-989), campaign promotions (B3/991-994) and CSR projects (B1/1-140). The plaintiff group of companies had received numerous awards as evident from B6/1717, 1730, 1732, 1734, 1736, 1737 and 1740. In 2017 the Melia brand was ranked by Brand Finance as one of the top 10 most powerful hotel brands based on factors such as marketing investment, familiarity, loyalty, staff satisfaction and corporate satisfaction (B6/1687). Although Melia KL was not listed in the Advisor, Telegraph or hotel.com the cross examination of DW1 showed that well known and famous hotels in Malaysia such as Renaissance, Westin, Double Tree, Holiday Inn, Equatorial and Hard Rock were also not listed and he further agreed that not being in that list was not indicative of whether a hotel is well known or famous. (NOP/109-110)

[35] The cross examination of PW2 showed that much of what the plaintiffs had done was in relation to the hotel industry for example the plaintiffs' exclusive right over the word Melia in Malaysia is for hotel services, temporary accommodation and hospitality services, two thirds of its worldwide registration are in class 42 and 43 which relate to hotel, hospitality and restaurant services, the promotional activities and awards won.

[36] However this has to be seen in the context of the evidence of the plaintiffs diversifying into condotels which is akin to serviced apartments where the ownership is permanent insofar as the purchaser is concerned. DW2 agreed that from a purchaser's point of view when he purchases the condotel, he owns the unit (NOP/126). DW4 agreed that the concept of condotel involves the purchaser buying from the developer and then either using it or leasing it back to the developer or hotel to be leased to customers and that the purchaser buys it for investment (NOP/153-154).

[37] PW2 named some condotel projects where the plaintiffs operate and manage the hotels which were Melia Bintan (B3/955), Melia Bandung, Melia Ubud and Melia Pekanbaru (Indonesia), Melia Ho Tram (Vietnam, B3/954), ME Dubai (B6/1681-1683), Malacca (B4/1353-1355) and Melia Iskandar Malaysia in Johor Baharu (B3/964). Her evidence showed a trend among hoteliers venturing or diversifying into condotels examples of which were St Regis in Malaysia as a combination of serviced apartment and a 6 star hotel (B4/1315-1321), Marriott Residences in Penang with its hotel, executive hotels and condominium (B4/1322) and Trump International Hotel & Tower Chicago which offers three bedroom residences (B4/1324-1325). It was also a trend for property developers to venture into hotel services. Examples given are Berjaya Corporation Bhd which had gone into hotel services such as Berjaya Times Square Hotel Kuala Lumpur and Keystone Land Developments Sdn Bhd which has developed and/or operated serviced apartments (the establishment) and a hotel (Alila in Bangsar) (B6/1702-1705).

[38] There was also PW1's evidence in relation to the plaintiffs venturing into condotel projects in Melia Bandung and Melia Ho Tram.

[39] DW1 had agreed that Berjaya, a renowned property developer was also a hotel owner with Berjaya Hotel. He agreed too Berjaya had obtained the licence of Ritz Carlton to use the brand name Ritz Carlton in their development project to enhance the value of the project and licence fees are collected (NOP/99-100). He agreed the documents in B4/1315 showed St Regis as residential apartments and a 6 star hotel, B4/1324-1325, Trump residence and hotel and B4/1322 where Marriott referred to residential units and is also a well known hotel (NOP/103-104).

[40] The evidence of DW2 of Berjaya, St Regis and Ritz Carlton was also along the same lines (NOP/122-123). He agreed that the target consumers for condotels and residential property would be the same (NOP/126) and that it is not uncommon for hotel operators to venture into property development and *vice versa* (NOP/131).

[41] DW4 too gave similar evidence in relation to Berjaya and Trump and said this was an example of property developer going into the hotel business but disagreed it was not uncommon (NOP144-145). When referred to Marriott and St Regis being examples of well known hotels engaging in residential property he too agreed "but exceptions" (NOP/152). He explained in re-examination that for property developer to venture into hotel business they normally go *via* management agreement and to become hoteliers they need expertise and substantial investment and so it is not the norm (NOP/160).

[42] In relation to these condotel projects although it was elicited from cross examination the plaintiffs were not the developer nor related to the developer and did not own the land in question, this is not material given that the arrangement takes the form of a licence where the brand name is used in return for a licence fee. This was confirmed when PW2 in re examination stated in relation to condotel developments between the plaintiffs and developers where the Melia trade mark was used, the arrangement was a license agreement between the plaintiff and the third party in return for a licence fee. [NOP/87]

[43] On the signing of a management agreement for Hyatt House PW2 agreed the developer is UEM Sunrise and there is no relationship between the developer and operator (NOP/50). DW1 confirmed UEM's subsidiary entered into a management agreement with Hyatt Hotel (NOP/101). DW4 had also given evidence on a management agreement entered into between Acoris S/B, a wholly-owned subsidiary of UEM Sunrise, and Hyatt Hotels for the use of the Hyatt trade mark in relation to Hyatt House. He had agreed that under the agreement they would be using the Hyatt trade mark with its consent, if terminated the right to use the trade mark would be lost and that the use of the trade mark is controlled by Hyatt (NOP/147-148). He also agreed that residential property as far as the purchaser is concerned is more permanent (NOP/149).

[44] The use of the Melia trade mark by the developer as licensee in relation to the development of condotel projects continued to remain under the plaintiffs.

[45] Where there is a licensing arrangement, the goodwill will accrue to the licensor as opposed to the licensee. This is evident from *Lam Soon (M) Bhd v. Forward Supreme Sdn Bhd & Ors* [2001] 4 CLJ 673; [2001] 6 MLJ 651 at pp. 682-683 (CLJ); pp. 661-662 (MLJ) as follows:

> ... My view is supported by Christopher Wadlow in *The Law of Passing Off* (2nd Ed) at pp 115-116 where the learned author clearly states the legal position on the ownership of goodwill as follows:
>
> > If a valid licence of a name or mark is in operation then the goodwill in respect of the business so carried on accrues to the licensor rather than to the licensee. The license may be express or implied. The licensee acquires no interest in the name or mark and must cease using it on termination of the licence ... Provided the licence is a valid one, it does not matter that the licensee may be held out as the provider of the goods in question, and may in fact be primarily responsible for their character or quality.
>
> The above quoted passage has been cited in *Gromax Plasticulture Ltd v. Don & Low Nonwovens Ltd* [1999] RPC 367.
>
> ... In relation to the determination of goodwill in the context of a licensing arrangement between two parties, the learned judge said at p 388 line 40 and p 389 line 2:

> I would, however, be content for present purposes with a proposition which stated that subject to special circumstances being proved to the contrary and to the terms of the particular licence, as between licensor and licensee as competitors for the ownership of the goodwill at the termination of a licence, the position of the licensor shall not be taken to be weakened nor that of the licensee enhanced by such activity on the licensee's part during the currency of the licence as was respectively required of him or conferred upon him by the licence, or as to activity of his known to the licensor, was such as could be fairly regarded by the licensor as no more than reasonably incidental to the maintenance or promotion of such commercial interest in the name as the licence had conferred upon the licensee. ...

[46] From the above, the use of the MELIA trade mark remained under the plaintiffs' control and as the goodwill generated from any licensing arrangement accrued to the plaintiffs as licensor, it follows that the contention that the plaintiffs' goodwill is only limited to its hotel business is without merit.

[47] Further in *Yong Sze Fun* it was stated in p. 667 that there is no requirement for a common field of activity for a claim for passing off and the crucial question was whether as a result of misrepresentation there is a real likelihood of confusion or deception. The same too was stated in *Lego System Aktieselskab and Anor v. Lego M. Lemelstritch Ltd* [1983] FSR 155, in relation to the plaintiff's business of manufacturing and distributing children's toys and the defendant's business of manufacturing irrigation equipment, at p. 196, that in action in passing of, there is no limitation as to the relation of the field of activity off the defendant to that of the plaintiff.

[48] In *Novelty Pte Ltd v. Amanresorts Ltd and Anor* [2009] SGCA 13 it was stated at pp. 260-261 that:

> We accept the principle that a Plaintiff who has established goodwill in one form of commercial activity ("the established activity") may be entitled to protection from passing off *vis a vis* another form of commercial activity which is a natural extension of the first ("the extended activity"). ...
>
> It is, however important to stress the close connection which must exist between the established activity and the extended activity for that connection forms the foundation for this head of damage. ...

[49] From the evidence, hotels and property development are natural extensions of these respective businesses where the plaintiffs had ventured into condotels as had St Regis (B4/1315-1321), Marriott Residences in Penang (B4/1322) and Trump International Hotel & Tower in Chicago (B4/324-1325). Property developers too had ventured into hotel services

such as Berjaya Corporation Bhd into Berjaya Times Square Hotel Kuala Lumpur and Keystone Land Developments S/B which has developed and/or operated serviced apartments (the establishment) and a hotel (Alila in Bangsar) (B6/1702-1705). And not forgetting Acoris Sdn Bhd, the wholly owned subsidiary of UEM Sunrise with its management agreement of Hyatt House.

[50] Although DW4 said it was not the norm for hotels to go into property development he did however accept it could be done by management arrangements.

[51] In *Novelty* too it was stated at p. 251:

> ... The convergence between the hotel and resort industry on the one hand and the residential accommodation industry on the other hand makes it more likely that there will be confusion. ...

[52] The other point of contention was that the Melia trade mark was not by the plaintiffs but that of Pudu Sinar. The evidence of PW2 was that registration of the Melia trade mark was in the first plaintiff's name who then licenses the second plaintiff and that Pudu Sinar had appointed the second plaintiff to exclusively manage and operate Melia KL in accordance with the MHI system. According to PW2, Pudu Sinar is a licensee of the plaintiffs to use the Melia trade mark under the control and supervision of the plaintiffs. In the cross-examination of PW2, there were no documents on any licence agreement or the payment of licence fees.

[53] The answer to that contention can be found in *Yong Sze Fun* where at p. 647 it was stated:

> In a situation where the dispute is not between the licensor and the licensee but rather with a third party, the position is even more certain and clear. In such a situation there is no necessity for the court to go into the relationship between the licensor and licensee which regulates the contractual arrangements between them as to how the respective trade marks are to be held. And the court too would not entertain a technical defence raised by the defendant that since the action is commenced by the licensee and not the licensor, they are free to continue with their acts of infringement. In such a situation, the court would apply equity in determining the case.

[54] In light of the earlier finding that in relation to the determination of goodwill in the context of a licensing arrangement between two parties, the benefit accrues to the licensor and coupled with the above principle that it is not necessary for the court to dwell on the licensor-licensee relationship, this contention of the defendant must fail.

[55] It is the court's finding that the plaintiffs had the goodwill in their business and/or any other services in associated and/or affiliated and/or related field with reference to the MELIA trade mark.

(b) Misrepresentation

[56] As stated in *Reckitt*, the second element in a passing off action is that the plaintiff must demonstrate a misrepresentation by the defendant to the public (whether or not intentional) leading to or likely to lead the public to believe the goods or services offered by him are the goods or services of the plaintiff.

(i) The Evidence

Evidence Of PW1

[57] He gave evidence that the email he wrote to one Bernado Cabot Estarellas as in B6/1715 was to enquire about Melia Residences in Johor. The email was prompted by an advertisement on Melia Residences where his initial impression was that given that Melia is associated with the second plaintiff, this could have been an expansion of the business of the plaintiffs. He added that given the identical usage of Melia as part of the name of Melia Residences in a similar or related area of activity there would be an unmistakable association between Melia Residences and the second plaintiff and if he who had been associated with the second plaintiff could come to such a belief, it is certain that unsuspecting members of the trade and public may likely come to a similar conclusion.

[58] In cross-examination he agreed he was alerting the existence of Melia Residences to Bernado. As to whether he made the statement because he knew the Melia Residences mark did not belong to the plaintiffs, he replied "I was confused". He disagreed he was drawing attention to the fact or alerting that a third party was using the Melia Residences mark. He was referred to the marketing materials of Melia Residences in B3/1126 and agreed the marks were different. (NOP/6-7) In re-examination as to why the marks were different he replied the logo in A/25 was the latest logo for Melia and that the logo has evolved over time (NOP/8).

Evidence Of PW2

[59] PW2 referred to the defendant's materials in relation to the Melia Residences in B3/996-1025 such as advertisements, the sales gallery, registration and use of the domain name www.melia-residences and brochures. By choosing Melia the defendants is misrepresenting to the public that its services are those of the plaintiffs and/or associated with the plaintiffs. With regard to Melia Residences and MELIA trade mark being represented in different styles and fonts, PW2 stated that notwithstanding the defendant's mark being represented in lower case and stylised, they convey similar, if not the same impression to the public as that of the plaintiffs' MELIA trade mark. It would have an identical sounding pronunciation too. As to the use Melia mark in conjunction with the names of the defendant and

UEM Sunrise together with UEM Sunrise's trade mark as well as Gerbang Nusajaya mark depicted, it was explained that the MELIA trade mark is always used by the plaintiffs either in itself and/or together with other word and/or device elements. The usage by the defendant does not change the fact it is using the MELIA trade mark. Due to the trend of diversification by hoteliers into property development and *vice versa* there is the danger of association by the public between both parties services owing to the usage of the identical mark Melia. Members of the trade (hoteliers and property developers) and the public would have the impression that the plaintiffs diversified their business into property development/investment or the defendant was licensed by the plaintiffs to use the Melia mark or there was a business arrangement between the parties in relation to the Melia Residences project.

[60] She referred to Marcel's email where he was under the impression the Melia group was expanding nicely around the region and enquired if the advertisement for the Melia Residences in Johor were under the plaintiff group of companies.

[61] In cross-examination she agreed that according to B3/1075 Melia is the name of a plant native to Malaysia and Indonesia and it is an English dictionary word as in B3/1074 (NOP/11). She agreed there is a tilde over the letter "A" which is an accent mark and this makes the plaintiffs' Melia trade mark unique, visually and phonetically. She disagreed it was intentionally placed to set the plaintiffs' Spanish Melia mark apart from the ordinary English dictionary word Melia. She explained that the trade mark Melia and the accent evolve through the years and it is different from 1987 to now. This was with reference to B4/1156 and 1161 where over the years the accent "A" "evolves in line with the competition and the more international we change, but the name Melia remain unchanged" (NOP/16). For pp. 1161 and 1180 she agreed that based on the record the accent over the letter "A" was placed to set the plaintiffs' Melia mark apart from the rest of the English speaking world. By variations to the plaintiffs' Melia mark she meant for example Sol Melia, ME by Melia and Inside by Melia. She agreed that there may have been different Melia marks but the word Melia has not changed since 1971. In Malaysia there are no variations to the word Melia. (NOP/18-19).

[62] With regard to the defendant's mark, she stated there was no tilde over the letter "A" and the font and manner of representation was different from the plaintiffs' mark. She disagreed the defendant's mark was not identical to the plaintiffs' mark or that it was not confusingly similar. (NOP19-21)

[63] She agreed that the fact that an international hotel was going to manage a property development that would be a selling point for the property development and it would be highlighted in the marketing materials. She was then referred to the public announcements for Melia Residences in B5/1514, 1517, 1518, 1523, 1524 and1525 and was asked if there was any mention of association of hotels replied "except the word Melia" (NOP/42-44). When referred to photographs of billboards taken at the site in B5/1571-1573 she confirmed theat UEM Sunrise was mentioned. On the brochures in B3/1082-1185 she stated it was not mentioned of any association with a hotel will manage the property and at p. 1125 the UEM Sunrise and Gerbang Nusajaya trade marks appeared as did the company name Nusajaya Sunrise. On B3/1126-1132 as to whether there was any mention a hotel would be managing she replied "No except the word Melia". She confirmed that at p. 1126 the logos of UEM Sunrise and Gerbang Nusajaya appeared and at pp. 1133-1134 the UEM Sunrise logo appeared. In B3/1135-1139 which were buntings, banners and billboards along the highway she agreed the words UEM Sunrise and Gerbang Nusajaya appeared. When asked if she agreed that the marketing materials of Melia Residences the defendant has not made any reference to the Melia hotel she replied:

Ans: Except the word Melia.

DC: The defendant's word Melia?

Ans: Very similar to the Melia trade mark.

(NOP/47)

[64] When asked if before investing in property she would weigh the pros and cons and visit the sales gallery, she said "yes" and would also contact the property developer to obtain more details. As to whether it would cross her mind that having read an international hotel would be managing the property she would check with the developer, replied "not necessary". (NOP/75-76)

[65] With reference to a survey by Property Guru in B5/1616-1621 she agreed the name of property development is a factor a buyer would consider. Next was a study published in the Journal of Surveying, Construction and Property in B5/1622-1634 where she agreed the name of the property is not a factor investors would consider. When asked it is common nowadays for residential properties especially condominiums to share the same name as a leading hotel she stated subject to the agreement made and when asked for a yes or no answer replied "yes". (NOP/75-78)

[66] On tangible risk of confusion this meant that "when we see the word Melia Residences and our trade mark Melia, I see these names are similar" (NOP/85).

[67] With regard to Marcel's email as to him not enquiring whether the advertisement for the Melia Residences in Johor was under the plaintiffs group of companies, she replied it was seeking clarification. She agreed it was her interpretation that it was an enquiry by Marcel and were not his words. She disagreed Marcel was not confused into thinking that Melia Residences was part of the plaintiff's development or that it was to alert Bernado of the existence of Melia Residences being used by a third party and to check whether the plaintiffs' trade mark in Malaysia had been registered and to her it was seeking for clarification. (NOP 85-87)

Evidence Of DW1

[68] DW1 is the Brand Manager of the township of Gerbang Nusajaya which is the second phase development of Iskandar Puteri in Johor. The Melia Residences project (project) is one of the projects under the master plan of Gerbang Nusajaya. As to the naming of Melia Residences, he said it was collective effort by team members of the project including DW2 and DW4. They were given a theme by the defendant and UEM Sunrise to coincide with the names of plants, herbs and spices. There was a brainstorming session on 3 September 2015 for about two hours and several potential names were shortlisted. From a marketing point of view they were looking for names easy to pronounce, preferably with only two syllables or less and a name Malaysians are familiar with so that it could be easily remembered. There was a second round of brainstorming session in November 2015 which concluded with the shortlisting of the names "Melia", "Iris" and "Casia". After further discussion they decided on "Melia Residences" and to reserve the other names for subsequent property development projects. "Iris" and "Casia" were good options as well but "Melia" was the best taking into account their marketing objectives.

[69] With reference to B3/1074 and 1075-1079 which were extracts from English Oxford Living Dictionaries and Wikipedia, "Melia" is a genus of trees and a species of deciduous tree in the mahagony family native to Indomalaya and Australasia.

[70] The documents in B5/1428-144 and 1445-1513 showed "Melia" to be commonly used by others in naming their goods and services.

[71] The concept of the project is to provide the residents with a sense of living in tranquillity and harmony with nature whilst enjoying the practical convenience of living in the heart of a vibrant project.

[72] He referred to online searches in B3/1147-1151 which showed other residential buildings named Melia as well as one in Miri. He was aware of Melia KL but it did not cross his mind that Melia Residences would in any way be confused or associated with the plaintiffs' Melia Hotel which is a

hotel and completely different from theirs. During their brainstorming sessions there was no reference to the plaintiffs' trade mark. The name selection process was their own efforts. "Melia" was a common word used by third parties and there was no hindrance for them to name the project Melia Residences.

[73] He explained there was no fixed rule or method for UEM Sunrise in naming a development project and it depended on the theme given. It was however common to pick names of plants and/or natural phenomenon alongside the main brand of UEM Sunrise. Examples given were Mont' Kiara Pines, Mont' Kiara Pelangi and Mont' Kiara Bayu.

[74] The brand UEM SUNRISE is an important part in all of UEM Sunrise's property developments as potential purchasers and investors would recognise developments carrying that brand with the goodwill and reputation of UEM Sunrise. This is due to UEM Sunrise being a leading property developer in Malaysia with many awards won, in particular the top 10 developer award by The Edge Malaysia for the past five years. The brand UEM SUNRISE is used in all promotional materials and sales gallery of the defendant's property development. The trade mark UEM Sunrise is placed on all promotional materials of the project.

[75] He referred to the survey in Property Guru (B5/1616-1621) and an article in the Journal of Surveying, Construction and Property (B5/1622-1634) that the name of the property development does not play a role in the buyers' and investors' decision to purchase a residential property.

[76] In cross-examination he stated he would need to be aware of trade mark law but was not a trade mark lawyer. He agreed careful thought is made in the determination and selection of a brand and he would consider the suitability from a marketing perspective (NOP/90).

[77] As to the value of a brand lying in its exclusivity he said "its a partial yes". As to whether he would rather share his brand with others he said "no" and that exclusivity is important as a brand. He agreed that in the selection of a brand he would need to see whether others in the market are using the same or similar brand; this is one of the factors to consider when deciding upon a trade mark or brand; and this would include Melia Residences. There was no trade mark search or market search before Melia Residences was selected as the trade mark. (NOP 91-92)

[78] He was asked that as Melia is a dictionary meaning he was suggesting it is free to be used by everyone to which his answer was "yes". This was next:

A Qn: So would this not run contrary to your selection of Melia as your brand? And again, on your admission that the value of a brand lies in its exclusivity and yet you've picked a brand that now you admit is free to be used by everyone.

Ans: I disagree.

B (NOP/93)

[79] As to the various parties that have applied for registration of Melia he was asked if it was to suggest that Melia is common and thus should not be exclusively held by one party he replied "It's common". Those registrations were outside Malaysia; he had not been advised on the trade mark laws of those countries and he had not considered the nature of business under those trade marks. He disagreed his answer was thus not relevant. (NOP/93-94)

C

[80] On his online search he did not independently verify whether those projects existed (NOP/96).

D **[81]** He didn't think it necessary to obtain the consent of the plaintiffs. He disagreed this was because the project was property development. The question was then asked again:

Qn: ... The reason you thought you did not require their consent was because the plaintiff was in, was primarily in the hotel business and therefore you, as a property developer did not require their consent?

E

...

Ans: Melia is not even thought of mind so we didnt even think that this would be an issue.

F Qn: You didnt think it was an issue?

Ans: We didnt know, we didnt think that was a Melia Hotel there, it was not thought of mine.

...

G YA: Was not on the top of your mind?

Ans: Melia was not thought of mine as hotel that would cause confusion when were to create Melia Residences. That's my answer ..

(NOP 98-99)

H **[82]** After a series of questions on property developers going into hotels which this court had referred to earlier, he was then asked:

Qn: Okay. So therefore I would suggest to you that it is not uncommon for property developers and hotels to be associated in projects altogether and their businesses often related or could be a natural extensions of their respective businesses. Thats my suggestion. Based on this press release property developer teaming up with a

I

known hotel, using the Hyatt brand name, clearly because there is value in the brand and therefore its a natural extension. That's my suggestion, either agree or disagree?

Ans: Agree.

(NOP 102)

[83] On the survey and report, he was not involved in the conduct of the surveys and was only relying on the findings. As to whether he would know how the surveys were done he replied "only if they showcase their methodology" and it was not there. He would not know how the respondents were selected of if it was of a size sufficient to produce some relevant result viewed in a statistical basis. The questions and answers to the interviewees and the instructions to interviewers were not disclosed. [NOP 104-106]

[84] He agreed that by applying for registration of Melia Residences, he was claiming exclusive rights. This was next asked:

Qn: ... Do you agree that Melia can function as a trade mark because Residences is even more descriptive than Melia, you know. So would you agree that Melia can function as a trade mark?

Ans: Yes.

...

Qn: Would this, your position now, that Melia can function as a trade mark, has exclusivity and so on and so forth be contrary to your position advanced earlier that Melia was a discretionary word as well as common and thus could not be exclusively claimed by others?

Ans: I disagree.

(NOP/108)

[85] He was asked to pronounce Melia as in A/25 and B/27. To a question:

Qn: ... Can I then accept that the Melia portion of the word is pronounced exactly the same way. Can you agree?

Ans: Based on what I'm reading, yes.

(NOP/111)

[86] In re-examination he was asked to enunciate the defendant's mark and he answered "Melia Residences". He would normally refer to the defendant's mark as Melia Residences (NOP/111). The methodology of the survey was disclosed in B5/1625-1630 (NOP/113). He explained how the Melia name was chosen where they were directed to come up with names with themes of plants, herbs and spices and after a brainstorming session Melia was one of the shortlisted names (NOP/114).

A Evidence Of DW2

[87] Being the Marketing Manager of the project, DW2 gave evidence on the sales brochure of the project and the manner the project was promoted. The sales gallery had the logo Melia Residences Gerbang Nusajaya at the centre and the mark UEM SUNRISE at the top section of the entrance. He B was also involved in the brainstorming session for the naming of the project and the reason for the selection of Melia Residences which is the same as that given by DW1.

[88] He stated there are residential properties in Malaysia which share the same name with the hotel name eg Raffles Suite in Sutera Utama Joho and C Raffles Residence 199 in Gelugor Penang both share the same name as the Raffles Hotel in Singapore; and The Elements Ampang in Kuala Lumpur and Element by Westin Hotel Kuala Lumpur also share the same name. As a consumer he is aware of such co-existence and was able to distinguish that hotels are different from residential properties.

D

[89] In his supplementary witness statement he gave more examples such as Puncak Bayan a residential condominium and Bayan Tree a hotel, Saujana Apartment and Saujana Hotels & Resorts; and V Residence and V Hotel.

[90] There is no confusion between Melia Residences and MELIA trade E mark as the project is owned and developed by the defendant and UEM Sunrise as shown in all the marketing and promotional materials and 70% of purchasers are Johoreans. They had never associated and/or linked the project to the plaintiffs' Melia KL. There was no complaint or enquiry from its sales staff, visitors or customers that the project is linked to Melia KL.

F **[91]** He referred to the media reports relating to Melia Ho Tram and stated that whenever there is any collaboration between developers and hotel companies such collaboration are announced, published and made known to the public. This is because it is a selling point for the property development. For Melia Residences there was no collaboration with any third party and G all marketing materials gave no indication of this. At all times they represented themselves as the defendant and a subsidiary of UEM Sunrise.

[92] In cross-examination he agreed the UEM trade mark identifies UEM Group Bhd, the company and that when the trade mark is used, members of the trade and public would associate the UEM trade mark with the company. H The following was next asked:

Qn: ... the name of your company is UEM Sunrise Bhd that is the name of your company in full

Ans: That is correct.

I Qn: Would your trade mark have the name of your company in full.

Ans: No.

Qn: ... And therefore I suggest to you that if you put the trade mark, you don't need to identify the name of your company in full and yet it refers to the company?

Ans: Yes.

(NOP/128)

[93] He disagreed the choice of Melia Residences was deliberate to enhance the marketability of the project. As to why if the brand name was not important the defendant didn't change the name so as to avoid the dispute he said it was not within his jurisdiction to answer. (NOP/128-129)

[94] He was not sure if there had been any licence agreement amongst Raffles Residence, Raffles Suite and Raffles Hotel nor any action taken by any party. This was the same for Element and Elements by Ampang. (NOP/129-130)

[95] On the announcement of a collaboration and whether this would be done in all such collaboration he answered "All that I know of". To the question his answer was a generalisation and not correct as he would not know the branding strategies of all such parties, he replied "That's correct as well". (NOP/131-132)

[96] In re-examination on whether hotel services are the same as property development services, he said they are two different entities of the category (NOP/133).

Evidence Of DW3

[97] DW3 was a purchaser of Melia Residences which was bought in December 2017. He bought it for its location which is accessible to highways, available facilities and its neighbourhood concept. Other than location the other factors to consider when purchasing a residential property are the price, the concept and the reputation of the developer. The name of the project would not affect his buying decision and the name of the property may change from time to time. This was from his experience as a banker that when the developer is launching the property the name will be different when the property is completed. He is aware of Melia KL. He did not think that it was part of Melia Residences as Melia Residences was developed by UEM Sunrise's subsidiary which is different from Melia KL. The concept and logo of Melia Residences are totally different from Melia KL and he would not think they were related.

[98] In cross-examination he said his motivation in the purchase was residential and he agreed that the factor to consider would vary if the purchase was for residential as opposed to investment. He agreed he would not be speaking for a purchaser who bought for investment purposes and his evidence was confined to residential purchasers (NOP 136-137).

[99] He was not aware that hotel operators deal with real estate and *vice versa.* This was then asked:

> Qn: ... And you have made statements in your evidence that the brand is not important. And I am suggesting to you in the context of this dispute that you are not a person to give evidence on that aspect because you are not aware that the brand hotel developers deal with a property, hotel operators deal with a property developer. That's my suggestion to you and is that a fair comment?
>
> Ans: No.

(NOP/138-139)

[100] He has heard of Berjaya Hotel and does not know Berjaya is a property developer as well and has not heard of Ritz Carlton (NOP/139).

There was no re-examination.

Evidence Of DW4

[101] DW4 gave evidence on the relationship between the defendant was a wholly-owned subsidiary of UEM Sunrise Berhad. UEM Sunrise is one of Malaysia's leading property developers and has won several awards as shown in B3/1058-1060 and B7/2082-2083. He explained the project and the other involvements of UEM Sunrise in Iskandar Puteri. As to whether there were units sold and leased back to the defendant, he said there wasn't as all units of the project are meant for sale only as private units. He was involved in the naming process of the project and was in the brainstorming sessions. He was aware of Melia KL and despite that Melia Residences was selected as the name of the project. Firstly, the plaintiffs' Melia Hotel did not cross his mind during the brainstorming sessions and selection. Secondly, the plaintiffs' Melia Hotel which is hotel service is completely different from the project which is property development. Melia is an English dictionary word which is a type of plant. From the marketing point of view they preferred a name which is easy to pronounce and known to the local population. There was no feedback and/or comment pertaining to the project and Melia Hotel and there was no comment that Melia Residences is part of or associated to Melia KL or the plaintiffs.

[102] In cross-examination he said the document in B9/2575-2577 had the name Ritz Carlton which is a well known hotel brand and the document was a residential property development. He disagreed the choice of Ritz Carlton as a name was so that the marketability of the property could be enhanced. He agreed Berjaya obtained the licence of Ritz Carlton to use the name and the licence fees will be paid for the use. He was next asked:

> Qn: ... would it not be odd for a seasoned developer like Berjaya to pay licence fees for the use of Ritz Carlton and yet not have any marketability associated with the Ritz Carlton name ... would that not be odd for someone like Berjaya to pay licence fees if there is no value associated to Ritz Carlton?

...

Ans: I don't agree with that statement.

Qn: ... it's strange for them to pay so much money, licence fees when there is no value in the name. Cause you just said there is no value in the name but I'm asking you is it not strange for them to do so?

Ans: Yes.

(NOP/150-151).

[103] He agreed that by registration of a trade mark the intent is to obtain exclusivity. By saying that Melia is a dictionary meaning he agreed he is suggesting the word is free to be used by everyone. If it was free to be used by everyone he agreed it can't be exclusively held. ((NOP/155-156)

[104] On the application for registration for Melia Residences, he agreed the defendant is claiming exclusive right to Melia Residences. As to the suggestion that Melia can function as a trade mark and if someone uses either identical or similar mark they will take action he said "Melia Residences, yes" (NOP 157).

[105] He agreed when the UEM logo is used it would create an association with the UEM Group and there was no necessity to put the full name of the company. As to whether if someone were to use exactly the same UEM logo it will not create an association with UEM, he said yes. He initially disagreed if a third party were to use the logo there will be a possibility that consumers may ask UEM or its subsidiaries if the said use is related to UEM and subsequently said yes. Such a query would be posted to the trade mark owner UEM and any shortcoming under the use of the UEM trade mark would be directed to UEM. ([NOP/157-158)

(ii) Analysis And Finding

[106] To satisfy the requirement of misrepresentation as per *Pakai Industries Bhd v. Chen Yew Industries Sdn Bhd* [1991] 2 CLJ 1574; [1991] 3 CLJ (Rep) 383 in p. 1576 the mark in question has to become distinctive of the goods. The court had earlier found the MELIA trade mark ever since its adoption in 1987 to have been used in hotels worldwide including in Malaysia through Melia KL. The MELIA trade mark is therefore distinctive of the plaintiffs' services. In *Yong Sze Fun* at p. 653 the words used were that "the TAMIN trade mark was a source identifier of the plaintiffs' products and their business and ... thus distinctive of the products of the plaintiffs."

[107] The evidence of DW1, DW2 and DW4 who were in the team responsible for selecting "Melia Residences" as the name of the project sought to portray it as a dictionary word and therefore free to be used by everyone. In other words, it was no longer distinctive. This evidence cannot

stand as the cross-examination of DW1 and DW4 showed that in attempting to register Melia Residences as a trade mark the defendant was seeking exclusivity. This therefore runs counter to its own initial evidence that the word Melia should not be exclusively held by one party. Further DW1 had agreed that the value of a brand lies in its exclusivity and he would not share his brand with others and that in the selection of a brand factors such as whether others are using the same or similar brand would have to be considered and this included Melia Residences as well.

[108] Further even if Melia was a common word it can still be distinctive of the plaintiffs' services. In *Leo Pharmaceutical Products Ltd A/S v. Kotra Pharma (M) Sdn Bhd* [2012] 10 CLJ507; [2009] 5 MLJ 703 it was stated at p. 519 (CLJ); p. 722 (MLJ) that:

> A generic term or a common word can even acquire a secondary meaning and become a distinctive trademark, as in the common phrases 'Head and Shoulder' but are very distinctive marks. It is also the case with 'Dove' and 'Follow me'. Hence to qualify as a trademark, the mark need not be totally devoid of descriptive connotation.

[109] On the requirement of confusion and deception, the contention was that there was no common field of activity. The cases of *International Hotel Investments Plc and Anor v. Jet Union Development Limited and Anor* [HCA] 1941/2015 and *Aspect Synergy Sdn Bhd v. Banyan Tree Holdings Ltd* [2009] 8 CLJ 97 were referred. However as stated in *Yong Sze Fun* at p. 667 that there is no requirement for a common field of activity for a claim for passing off and at p. 673 that proof of actual confusion is not necessary and mere proof of the possibility of association would be sufficient. In *Annabel's (Berkerly Square) Ltd v. G Shock (trading as Annabel's Escort Agency)* [1972] RPC 838 it was stated at p. 844 that:

> In this question of actual confusion, as a matter of common sense, one of the important considerations is whether there is any kind of association, or could be in the minds of the public any kind of association, between the field of activities of the plaintiff and the field of activities of the defendant-as it is sometimes put:Is there an overlap in the fields of activity? ...

[110] Further, *Novelty* at p. 251 stated that the convergence between the hotel and resort industry on the one hand and the residential accommodation industry on the other hand makes it more likely that there will be confusion.

[111] It was PW2's evidence in cross-examination to the question that all public announcements and marketing materials did not have any reference to Melia hotel replied "except the word Melia" and it was "very similar to the Melia trade mark". On the tangible risk of confusion PW2 had meant that "when we see the word Melia Residences and our trade mark Melia, I see

these names are similar". Thus the possibility of confusion arises from the identical word Melia on the plaintiff's MELIA trade mark and that of Melia Residences. Both parties were also in related fields of activities where the plaintiffs had ventured into condotels. It was also not uncommon for hoteliers venturing into property development and *vice versa* as confirmed by DW1 and DW2. DW4 too had agreed with Berjaya and Trump as examples of property developers going into hotels but disagreed it was not uncommon. Further as confirmed by DW2 the target consumers of condotels and residential properties are the same.

[112] On the comparison of the marks, it cannot be denied the word Melia appears in both. This brings the court back to PW2's evidence that although there is no reference to Melia hotel there is the word Melia and that it is very similar to the Melia trade mark. There was also PW2's evidence that although the Melia trade mark has evolved in line with competition and the more international they change but the name Melia remained unchanged. It was also PW1's evidence the Melia logo has evolved over time. Thus the most prominent aspect of the mark is the word Melia itself.

[113] On the marks being visually different such as Melia in Melia Residences being represented in a stylised manner, in a lower case and the tilde above the letter "A" in the MELIA trade mark being absent in Melia Residences, the court accepts that the comparison test is not to consider minute differences but to consider the surrounding circumstances. In *Reckitt* at p. 895 it was stated:

> ... It must, in the end of the day, always be a question of fact and degree to what extent customers are genuinely deceived by the overall impression of the get up. ...

[114] The *Pianotist Co's Application* [1906] 23 RPC 774 at p. 777 gives a timely reminder to consider the goods to which they are to be applied, the nature and kind of customer who would be likely to buy these goods, consider all the circumstances and what is likely to happen if those trademarks is used in a normal way as a trademark for the goods of the respective owners of the marks.

[115] Refer to *Aristoc v. Rysta* [1943] 60 RPC 87 at p. 108:

> ... Little assistance therefore is to be obtained from a meticulous comparison of the two words, letter-by-letter and syllable-by-syllable, pronounced with the clarity to be expected from a teacher of elocution.

[116] As to the pronunciation of Melia in plaintiff's MELIA trade mark being different, DW1 when asked to pronounce both the word Melia in the MELIA trade mark and Melia Residences acknowledged there was no difference. In any event little assistance is to be obtained by such a pronunciation comparison.

[117] Ultimately, what matters is the most prominent aspect of the mark which is the word Melia itself. Viewed in this light and the associated activity, there would be confusion to the members of the trade and the public.

[118] It was next contended that at all material times the use of the Melia Residences mark was in conjuction with the names of the defendant and UEM Sunrise together with UEM Sunrise's trade mark, UEM Land Bhd's registered trade mark and the mark depicted. This can be seen in Annexure C and C1 to the judgment. Therefore it could not deceive or cause confusion to the relevant members of the trade and public. However as per the evidence of DW1, DW2 and DW4 the defendant had registered its trade mark for UEM Sunrise and Gerbang Nusajaya and Melia Residences whereby such marks could separately function as trade marks. It was also agreed that Melia could function as a trade mark.

[119] The position of house brands and sub brands was considered in *Munchy Food Industries Sdn Bhd v. Huasin Food Industries Sdn Bhd* Suit No WA-22IP-12-03-2016 and following *Coco De Mer* (Application/Trade mark No 2275058) held that a house brand and sub brand are in law stand alone trade marks with their own distinctiveness.

[120] DW2 and DW4 had confirmed that the UEM trade mark identified UEM Group Bhd and when the trade mark is used it would be associated with the company and there was no need to identify the name of the company in full and it would still refer to the company.

[121] It was also the evidence of DW1 and DW4 they have heard of Melia KL. For DW1, Melia KL was not even at the top of his mind when his team decided on Melia Residences. The same too for DW4 that Melia KL did not cross his mind during the brainstorming and selection process. Suffice to state that the misrepresentation can be intentional or otherwise as laid down in *Reckitt at* p. 880 as evident from the words "he must demonstrate a misrepresentation by the defendant (whether or not intentional) ...".

[122] As to the name of the property development not being a factor in the purchase of a property, DW1 had relied on the survey in Property Guru (B5/1616-1621) and an article in the Journal of Surveying, Construction and Property (B5/1622-1634). He was not involved in the conduct of the surveys and was only relying on the findings. As to whether he would know how the surveys were done he replied "only if they showcase their methodology" and it was not there. He would not know how the respondents were selected of if it was of a size sufficient to produce some relevant result viewed in a statistical basis. The questions and answers to the interviewees and the instructions to interviewers were not disclosed. The court is guided by *Liwayway Marketing Corp v. Oishi Group Public Co Ltd* [2017] 5 CLJ 133; [2017] 4 MLJ 141 and holds the view that as not much is known on how the survey was conducted no weight ought to be given to it.

[123] DW2 had given evidence that whenever there is any collaboration between developers and hotel companies, such collaboration is announced, published and made known to the public. This is because it is a selling point for the property development. In cross examination, whether the announcement would be done in all such collaboration he answered "All that I know of". To the question his answer was a generalisation and not correct as he would not know the branding strategies of all such parties, he replied "That's correct as well". Hence DW2 would not really know if there is indeed a requirement for such announcement of collaboration.

[124] The evidence of DW3 that the name of the project would not affect his buying decision is limited to the extent of his admission that his evidence is confined to that of a residential purchaser and that the considerations for purchase would vary between a residential purchaser and that of an investor. Further being unaware that hotel operators deal in real estate and *vice versa* he was not in a position to give evidence that the brand did not matter.

[125] With regard to the evidence of PW1 on his email, given that the words in the email read "I'm not sure if you have come across the advertisement for the Melia Residences in Johor below. Did you register the Melia name and trademark in Malaysia" would give rise to the probability it was to alert that a third party was using the Melia Residences mark. It was not as he said that given the identical usage of Melia as part of the name of Melia Residences in a similar or related area of activity, there would be an unmistakable association between Melia Residences and the second plaintiff and if he who had been associated with the second plaintiff could come to such a belief, it is certain that unsuspecting members of the trade and public may likely come to a similar conclusion. This is because, these words were not in the email and PW1 cannot now expand on the meaning of the email. In any event, nothing turns on PW1's evidence given the court's finding there was misrepresentation.

(iii) Damages Or An Account Of Profit

[126] The reasons advanced by the defendant as to why damages ought not to be awarded such as parties being in entirely different business and the plaintiffs' goodwill including the value of a brand and the licence fees generated have all been dealt with the court in arriving at its decision there was goodwill and misrepresentation.

[127] The court accepts that there can be damage suffered by the plaintiffs as a result of the passing off.

[128] In *Irvine v. Talksport Ltd* [2002] FSR 943 it was stated at p. 955:

A ... The purpose of a passing-off action is to vindicate the claimant's exclusive right to goodwill and to protect it against damage. When a Defendant sells his inferior goods in substitution for the claimant's there is no difficulty in a court finding that there is passing-off. The substitution damages the goodwill and therefore the value of it to the claimant. The passing-off action is brought to protect the claimant's property. But
B goodwill will be protected even if there is minimal damage in the above sense. For example, it has long been recognised that a defendant cannot avoid a finding of passing-off by showing that his goods or services are as good or better quality than the claimant's. In such a case, although the defendant may not damage the goodwill as such, what he does is damage the value of the goodwill to the claimant because instead of benefiting
C from exclusive rights to his property, the latter now finds that someone else is squatting on it, ...

[129] In *Lego System Aktieselskab* it was held at p. 194:

... As I am satisfied ... that the reputation of the plaintiffs' mark LEGO
D and their goodwill is wide enough to extend to goods such as garden sprinklers made of coloured plastics material, for the defendants to market their garden sprinklers and other irrigation equipment products would cause damage to the plaintiffs. The plaintiffs now have the potentiality of using the mark and the attractive force of its reputation themselves to market their own goods in the garden equipment field or to license or
E franchise another trader to use it in that field. As to using it themselves, the evidence ... was to the effect that the plaintiffs would be prevented from entering that field if the defendants are allowed to continue to use the trade mark LEGO in this country on their products. Another course open to the plaintiffs would be to license or franchise another trader to use the mark LEGO in the field ... Obviously, the possibility of licensing
F or franchising another trader to use LEGO in the gardening equipment area would be lost if the defendants are allowed to continue using LEGO in this country in relation to their products. The effect, therefore, of the defendants continuing to use LEGO in this country in relation to their products would be to destroy that part of the plaintiffs' reputation in their mark LEGO and goodwill attached to it which extends to such goods ...
G

[130] The account of profit was prayed for as at the option of the plaintiffs and is allowed. As stated in *Colbeam Palmer Ltd v. Stock Affiliates Pty Ltd* [1972] RPC 303 at p. 308:

The plaintiff whose mark has been infringed can choose between damages
H or an account of profits. He cannot have both. They are alternative remedies. ....

(iv) Relief Under s. 70B TMA

[131] Pursuant to s. 70B of the TMA read together with reg. 13B of the
I Trade Marks Regulations 1997, the plaintiffs are entitled to the injunctive relief sought. Regulation 13B lays down the criteria of a well known mark as follows:

13B. Criteria of well-known mark.

In determining whether a mark is well-known or not, the following criteria may be taken into account;

(a) the degree of knowledge or recognition of the mark in the relevant sector of the public;

(b) the duration, extent and geographical area of any use of the mark;

(c) the duration, extent and geographical area of any promotion of the mark, including advertising or publicity and the presentation, at fairs or exhibitions, of the goods or services to which the mark applies;

(d) the duration and geographical area of any registrations, or any application, of the mark to the extent that they reflect use or recognition of the mark;

(e) the record of successful enforcement of rights in the mark, in particular, the extent to which the mark was recognised as well-known by competent authorities;

(f) the value associated with the mark.

[132] The court finds that the MELIA trade mark satisfies the criteria in reg. 13B due to the extensive awards won, being listed as the top 10 most powerful hotel brand 2017, trade mark registrations worldwide and in Malaysia and the presence in more than 350 hotels in 43 countries across four continents. These have been addressed by the court earlier.

[133] These were also steps to enforce its rights in trade mark. As per PW2's evidence in Q&A 11 (A1):

> ... the 1st Plaintiff appealed against the Spanish Patents and Trade Marks Office's decision in refusing to register the mark MELIA MADRID PRINCESA as it was initially held by the Spanish Patents and Trade Marks Office that the said mark is confusingly similar to a prior mark, HOTEL PRINCESA. The appeal was allowed by the Supreme Court Chamber for Contentious-Administrative Matters Section: Three whereby the court acknowledged that the "MELIA" is "known worldwide" and hence sufficient to distinguish it with the mark HOTEL PRINCESA. Pages 1356-1367 of IDB Jilid 4 sets out the grounds of judgment of the Supreme Court Chamber for Contentious-Administrative Matters Section: Three.

[134] While the defendant attempted to suggest that the Spanish decision is in relation an objection by a third party in relation to the use of the word "PRINCESA" by the plaintiffs and is irrelevant to this present case, such suggestion failed to take into account the fact that the Spanish court has acknowledged that the word MELIA is "known worldwide". B4/133 shows

the relevant written judgment by the Spanish court in this regard. Despite the fact that the Spanish decision is in relation to an objection by a third party on a different subject mark, the fact remains that the MELIA trade mark "was recognised as well-known by competent authorities" which is the Spanish court which clearly fulfils reg. 13B(1)(e).

[135] Although Melia KL was not listed in the top 10 or top 25 best hotels neither were other well known hotels such as Renaissance and Westin. As acknowledged by DW1 the exclusion of a hotel from the list does not indicate whether the hotel is well known or otherwise.

[136] As found earlier, the plaintiffs had since diversified into condotels and there is a trend of hotels venturing into property developer and *vice versa.*

Conclusion

[137] The plaintiffs' claim is allowed with costs which was fixed at RM100,000. This took into account the issues involved, duration of the trial and the extensive submissions.

Annexure A

PLAINTIFFS' MELIA TRADE MARK

MELIA

MELIA

HOTELS
INTERNATIONAL

A

Annexure B

DEFENDANT' MELIA RESIDENCES TRADE MARK

B

C

D

E

F

G

H

I

Annexure C

UEM SUNRISE'S REGISTERED TRADE MARK

Annexure C1

UEM LAND BERHAD'S REGISTERED TRADE MARK "GERBANG NUSAJAYA" AND THE MARK DEPICTED